

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

J C Gibbons Manufacturing Inc

Michigan Manufacturing Technology Center

Diversification brings Growth and Opportunity to JC Gibbons

Client Profile:

J.C. Gibbons (J.C.) manufactures precision screw machine and CNC products. The company has been in business since 1959, employing 20 people at its facility in Livonia, Michigan.

Situation:

The technical knowledge of J.C.'s skilled staff has ensured the highest quality product since 1959. A robust ISO 9001:2000 program is the driving force behind J.C.'s quality system and provides assurance that each job is made in a reliable, consistent manner. Statistical Process Control (SPC) data is analyzed at the shop floor level daily in order to manufacture quality parts. This ensures a better, more consistent product for customers. With all of these strengths firmly in place, J.C.'s Vice President Jeff Gibbons, was ready to expand his company's reach beyond the automotive industry to find opportunities in other markets. With this goal in mind, Jeff contacted the Michigan Manufacturing Technology Center (MMTC), a NIST MEP network affiliate, to begin its market diversification program to secure new business. At the beginning of the program, J.C. identified their biggest challenge as an internal lack of resources devoted to securing new business.

Solution:

MMTC's Growth Services staff conducted an assessment which was critical to illustrating the importance of having dedicated resources. In order to focus as much as possible on diversification. The process of diversification involved learning new tools to help identify key strengths - both in J.C.'s manufacturing processes and in the finished product itself. One of the most powerful tools was developing an understanding of the North American Industrial Classification System (NAICS) code process and utilizing it to identify new business opportunities, while avoiding industries with declining trends. This approach helped link J.C. with a medical industry supplier in Troy, MI. What began with a quote for one part has developed into a strong working relationship. Now J.C. is supplying 10 different parts to this same company. Another search connected J.C. with a local commercial signage company which led to opportunities in related industries.

In addition to learning how to identify new markets with NAICS codes, J.C. learned a variety of sales and marketing approaches to implement within those selected markets. Activities ranged from developing a telephone call script to creating and sending out e-mail flyers advertising their products and services. They even discovered how to make better sales use of existing assets, such as using on-hold messages to provide informative and compelling messages to clients during any necessary wait times. This is a simple example of an additional sales approach that many companies can take advantage of, at virtually no cost. Today, through hard work and assistance from the MMTC market diversification program, J.C.'s business is about 49 percent automotive instead of 75 percent, and the medical and other diversified markets continue to grow. J.C. continues to pursue excellence in difficult economic times and MMTC has been there right alongside to coach and to encourage implementation. Training with the MMTC has included Activity-Based-Costing financial analysis, Lean office projects,

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

Lean Kaizens,
Statistical Process Control (SPC), and Geometric Dimensioning and Tolerancing (GD&T) training in
addition to the market diversification program.

Results:

- * Achieved a non-automotive growth rate of 9.3 percent.
- * Developed tools for identifying new business opportunities.

Testimonial:

"MMTC's goal is to make you better and to help you grow your business. As a small company, we
wouldn't have been able to diversify without help."

Jeff Gibbons, Vice President